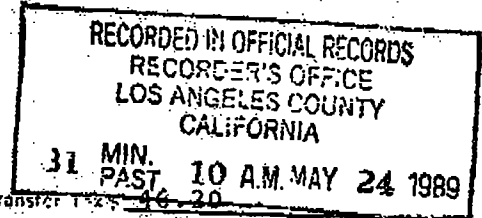


Exhibit B

89- 843439

Recording requested by and
When recorded mail to:

Troy O. Welch
Petro Resources, Inc.
1126 Fort Worth Club Tower
Fort Worth, Texas 76102



Documentary Transfer Tax 46.20
X C. Full Value of Property Conveyed
or Full Value Less Liens and
Encumbrances at Time of Sale.
Troy Welch Petro Resources, Inc.
Signature of Decedent or Agent determining tax. Firm Name.

ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS;



THAT GRACE PETROLEUM CORPORATION, a Delaware corporation, hereinafter referred to as the "ASSIGNOR," for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer and convey to PETRO RESOURCES, INC., a Texas corporation, hereinafter referred to as the "ASSIGNEE," all of its right, title and interest in and to certain oil and gas leases, and the leasehold estates created thereby, more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein, (the "Leases").

TO HAVE AND TO HOLD, the same unto ASSIGNEE, its successors and assigns, forever, in accordance with the terms and provisions herein set forth.

1. This Assignment of Oil and Gas Leases shall be

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THIS INSTRUMENT FILED FOR RECORD BY FIRST AMERICAN
TITLE CO. OF L.A. AS AN ACCOMMODATION ONLY. IT HAS NOT
BEEN EXAMINED AS TO ITS EXECUTION OR AS TO ITS
EFFECT UPON TITLE.

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effective as of 11:59 p.m., on the 30th day of April, 1989.

2. Except as provided in paragraph 5 below, the Leases are assigned to ASSIGNEE without recourse, covenant or warranty of any kind, express, implied or statutory, and ASSIGNEE accepts the same on an AS IS, WHERE IS basis. ASSIGNEE agrees that to the extent required to be operative, the disclaimers of warranties contained in this section are "conspicuous" disclaimers for the purpose of any applicable law, rule or order.

3. ASSIGNEE hereby assumes and agrees to be bound by and to perform each and all of the obligations of the Lessee, including but not limited to plugging and clean up liabilities under said Leases and to indemnify and hold ASSIGNOR free and harmless of and from any liabilities in connection therewith arising after the date hereof.

4. This Assignment is made pursuant to and is subject to the terms and conditions of that certain Purchase Agreement of even date herewith by and between ASSIGNOR and ASSIGNEE, and the terms and conditions of said Purchase Agreement are hereby incorporated by reference.

5. ASSIGNOR makes no warranties or representations as to the Leases, except that ASSIGNOR warrants and represents that it has not previously conveyed the interests hereby transferred and that there are no liens or encumbrances affecting said interests made by, through or under ASSIGNOR.

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6. ASSIGNOR and ASSIGNEE shall within fifteen (15) days from the Effective Date take all necessary and appropriate action to remove ASSIGNOR as the operator of the Leases on the records of the Division of Oil and Gas, State of California, and to appoint ASSIGNOR, or its designee, as operator of the Leases.

7. ASSIGNOR and ASSIGNEE agree to execute and deliver any and all additional instruments as may be necessary more fully to vest in the ASSIGNEE the rights and interests herein conveyed.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment of Oil and Gas Leases to be executed as of the 30th day of April, 1989.

GRACE PETROLEUM CORPORATION,
a Delaware Corporation

By: [Signature]
VICE PRESIDENT

By: A. H. Riddler
SECRETARY

"ASSIGNOR"

PETRO RESOURCES, INC.,
a Texas Corporation

By: W. Kent Riley
W. Kent Riley
Vice President

By: Troy O. Welch
Troy O. Welch
Vice President

"ASSIGNEE"

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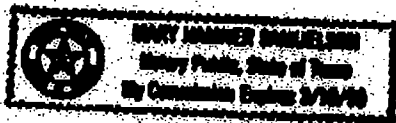
PRI 002156

ACKNOWLEDGMENT

THE STATE OF TexasCOUNTY OF DALLAS

On April 28, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared J.P. McMillin and A.G. Riddleberger, known to me to be the Vice President and Secretary of GRACE PETROLEUM CORPORATION, the corporation that executed the within instrument, known to me to be the person(s) who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Mary Hammer Samuelson
Notary Public in and for said State

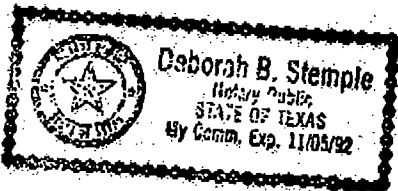
ACKNOWLEDGMENT

THE STATE OF TEXAS

COUNTY OF TARRANT

On April 28, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared W. KENT RILEY and TROY O. WELCH, known to me to be Vice President and Vice President of PETRO RESOURCES, INC., the corporation that executed the within instrument, known to me to be the person(s) who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Deborah B. Stemple
Notary Public in and for said State

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EXHIBIT "A"
to Assignment of Oil and Gas Leases

1. Oil and Gas Lease dated January 13, 1949 by and between York Oil Company, as Lessor, and Magnor Pet. Co., as Lessee, and recorded February 11, 1949, in Book 29322, Page 302, Official Records, Los Angeles County, California, as the same has from time to time been amended and modified.
2. Oil, Gas and Mineral Lease dated December 30, 1977 by and between Petro Resources, Inc., as Lessor, and Petro Resources, Inc., Jim Riley, James C. Riley, III, W. Kent Riley and Teal Petroleum Company, as Lessee, and recorded January 9, 1978 as Instrument No. 78-28620, Official Records, Los Angeles County, California, as the same has from time to time been amended and modified.
3. Oil, Gas and Mineral Lease dated July 11, 1977 by and between Richard A. Pfahler, as Trustee, as lessor, and Jim Riley, as Lessee, and recorded August 11, 1977 as Instrument No. 77-881832, Official Records, Los Angeles County, California, as the same has from time to time been amended and modified.
4. Oil and Gas Lease dated December 10, 1948 by and between J. M. Schisler and Lillie B. Schisler, as Lessor, and Humphrey Marshall, as Lessee, and recorded February 25, 1949 in Book 29455, Page 219, Official Records, Los Angeles County, California, as the same has from time to time been amended and modified.
5. Oil and Gas Lease dated January 22, 1954 by and between J. M. Schisler and Lillie B. Schisler, husband and wife, as Lessors, and Crestmont Oil Company, a corporation, as Lessee, recorded February 26, 1954 in Book 43933, Page 28, Official Records, Los Angeles County, California, as the same has from time to time been amended and modified.
6. That portion of Lot 184 of Tract 1274, in the County of Los Angeles, State of California, as per map recorded in Book 18, Page 110 and 111 of Maps, in the Office of the County Recorder of said County, described as follows:

BEGINNING AT THE NORTHEAST CORNER OF THE WESTERLY 490.80 FEET OF SAID LOT; THENCE ALONG THE NORTHERLY LINE OF

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SAID LOT SOUTH 78 DEGREES 00 MINUTES 00 SECONDS EAST TO THE NORTHEAST CORNER OF SAID LOT; THENCE ALONG THE EASTERLY LINE OF SAID LOT, SOUTH 1 DEGREES 05 MINUTES 50 SECONDS WEST 275.41 FEET; THENCE PARALLEL WITH THE SAID NORTHERLY LINE, NORTH 78 DEGREES 00 MINUTES 00 SECONDS WEST TO THE EASTERLY LINE OF SAID LOT, WESTERLY 490.80 FEET OF SAID LOT; THENCE ALONG THE LAST MENTIONED EASTERLY LINE, NORTH 12 DEGREES 00 MINUTES 00 SECONDS EAST TO THE POINT OF BEGINNING.

Excepting therefrom, "Mining Rights" as excepted in deed from the State of California, recorded March 23, 1959 in Book D-407, Page 135, Official Records.

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INDEMNITY AGREEMENT

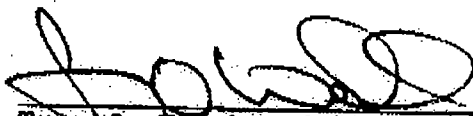
By Assignment effective April 30, 1989, GRACE PETROLEUM CORPORATION ("GPC"), as Assignor, conveyed certain oil and gas leases described therein to PETRO RESOURCES, INC. ("PRI"), as Assignee, including the Schisler and Pfahler leases which are more particularly described on Exhibit "A" attached hereto.

As a part of the consideration given for the assignment of the Schisler and Pfahler leases to it, PRI hereby agrees to hold harmless and indemnify GPC from and against any claim, loss or liability of any nature whatsoever arising from or connected to an assertion by AES Placerita, Inc. or Charles Jurgens that GPC breached a contractual obligation to them or either of them by the sale and assignment of the Schisler and Pfahler leases to PRI.

EXECUTED this 27th day of April, 1989.

PETRO RESOURCES, INC.

By:



Troy O. Reich, Vice President

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